



**RICHMOND HILL OFFICE DEVELOPMENT  
AND VILLAGE REVITAZLIATION  
COMMUNITY IMPROVEMENT PLAN**



**CITY OF RICHMOND HILL**  
FEBRUARY 2023

## Table of Contents

<b>1.0</b>	<b>INTRODUCTION.....</b>	<b>4</b>
1.1	Purpose of the Community Improvement Plan.....	5
1.2	Plan Content .....	5
<b>2.0</b>	<b>RATIONALE FOR THE COMMUNITY IMPROVEMENT PLAN .....</b>	<b>6</b>
2.1	Enabling legislation.....	7
2.2	Supporting Policy Direction.....	7
2.3	Community Improvement Needs .....	8
2.4	Goals and Objectives .....	9
2.5	Public Benefits.....	10
<b>3.0</b>	<b>CIP PROJECT AREAS .....</b>	<b>12</b>
<b>4.0</b>	<b>CIP PROGRAMS .....</b>	<b>15</b>
4.1	Program Overview .....	16
4.2	General Eligibility Criteria for All Programs .....	18
4.3	Tax Increment Equivalent Grant for Office .....	18
4.3.1	Program-specific Eligibility Criteria .....	19
4.3.2	Eligible Costs.....	20
4.3.3	Additional Provisions.....	20
4.4	Building Renovation Grant Program.....	22
4.4.1	Program-specific Eligibility Criteria .....	22
4.4.2	Eligible Costs.....	23
4.4.3	Additional Provisions.....	23
4.5	Façade, Landscaping and Signage Improvement Grant.....	24
4.5.1	Program-specific Eligibility Criteria .....	25
4.5.1	Eligible Costs.....	26
4.5.3	Additional Provisions.....	26
<b>5.0</b>	<b>SUPPORTING PROGRAMS .....</b>	<b>28</b>
5.1	Heritage Grant.....	29
5.2	Development Charge Deferral Program.....	29
<b>6.0</b>	<b>IMPLEMENTATION .....</b>	<b>30</b>
6.1	CIP Duration .....	31
6.2	Rights and Discretion of Council .....	31
6.2.1	Reviewing the Plan .....	31

6.2.2	Consideration of Funding .....	31
6.2.3	Default or Termination of Funding.....	32
6.2.4	Retroactivity of Funding .....	32
6.2.5	Portability of CIP Grant.....	32
6.3	Program Marking and Promotion .....	32
<b>7.0</b>	<b>MONITORING AND REVIEW .....</b>	<b>33</b>
7.1	Monitoring the CIP.....	34
7.2	Staff Reporting to Council.....	34
7.3	Evaluating and Updating the CIP .....	35
7.4	Amending the CIP.....	35
<b>8.0</b>	<b>DEFINITIONS .....</b>	<b>36</b>





## 1.0 INTRODUCTION

The Richmond Hill Office Development and Village Revitalization Community Improvement Plan (CIP) (formerly titled Richmond Hill Office Development and Downtown Local Centre Community Improvement Plan) will assist in supporting and incentivizing new office development in Richmond Hill's designated Centres and Corridors and older employment areas and will support Richmond Hill Business Improvement Area ("Village") revitalization by providing various financial incentives within these areas.

In order to understand Richmond Hill's economic development position and to support the development of office within the local economy, a number of studies and plans have been undertaken by the City. These studies, which include the Economic Development Strategy (2010, updated in 2017), the Official Plan (2010, updated in 2022), the Office Incentives Study (2013) and the Investment Attraction Strategy (2022), recognize the importance of office development within the local economy and the importance of a vibrant Village. Office development and the revitalization of the Village supports the attraction, retention and growth in jobs and accommodates key economic sectors.

### 1.1 Purpose of the Community Improvement Plan

The purpose of the Richmond Hill Office Development and Village Revitalization Community Improvement Plan (CIP) is to:

- Identify and address Richmond Hill's community improvement needs, which include improving office employment in the local economy and supporting revitalization of Richmond Hill Business Improvement Area ("Village");
- Implement CIP programs that address the City's community needs within defined CIP project areas; and
- Provide an implementation strategy, program administration guide and monitoring framework for the CIP programs.

### 1.2 Plan Content

The Community Improvement Plan (CIP) was prepared based on the Community Improvement Plan Background Study (April 2017) and the Community Improvement Plan Implementation Framework (October 2017), prepared as part of the Community Improvement Plan Study process. Updates to the CIP were made based on stakeholder and public consultation.

This document sets out the rationale for the CIP (Section 2), identifies the CIP Project Areas (Section 3), explains the CIP Programs (Section 4), identifies supporting programs (Section 5), sets out implementation parameters of the CIP, including marketing and promotion (Section 6), identifies how the CIP performance will be monitored (Section 7) and provides a glossary of defined terms, identified in the document using ***bold italics*** (Section 8).



# 2

## **2.0 RATIONALE FOR THE COMMUNITY IMPROVEMENT PLAN**

### **2.1 Enabling legislation**

Section 28 of the Planning Act enables a municipality to offer assistance (i.e. grants or loans) to owners and tenants of lands and buildings within a CIP Project Area, through a CIP. A CIP is a policy tool which allows a municipality to develop a comprehensive plan for community improvement either at a municipality-wide or area-specific scale. A CIP program can be initiated to address a wide range of municipal objectives including, but not limited to, office attraction to support and stimulate local employment growth and Village revitalization.

Within the CIP Project Areas, a CIP may set out recommended programs to address the community needs. Such programs may include financial incentives which involve grants and loans and land and tax assistance (under Section 365.1 of the Municipal Act). Without a CIP, such CIP programs are not permitted based on the restrictions outlined in the Planning Act and the Municipal Act.

### **2.2 Supporting Policy Direction**

The Provincial Policy Statement (PPS, 2020) provides policy direction to municipalities on matters of land-use planning and social and economic development. The PPS, 2020 supports community improvement by prioritizing the creation of strong, prosperous and complete communities via effective growth management, environmental stewardship, the efficient use of infrastructure and the enhancement of quality of life. To ensure the development of complete communities, the A Place to Grow - Growth Plan for the Greater Golden Horseshoe prioritizes intensification in built-up areas, with a focus on urban growth centres, major transit station areas, brownfield sites and greyfields. This CIP will enable the City to support the development of more complete communities.

The Region of York's Official Plan (ROP, 2022) sets out growth management, economic, land-use, environmental, and community planning policies across local municipalities in York Region until 2051. The ROP supports the development of regional and local CIP's, in particular along segments of identified regional corridors.

The City's Official Plan (2010, as amended) provides the local policy basis for the CIP. Section 5.17 of the Official Plan provides that the City may, in a By-law passed under Section 28 of the Planning Act, designate a Community Improvement Area for a portion or all of the Plan area. The Official Plan provides support for investigating and implementing tailored financial incentive programs to support identified community improvement needs, which include support for office employment in the local economy.

The City is currently updating the Official Plan to help transform the City into a more vibrant, complete community that serves the needs of all residents, businesses and visitors in Richmond Hill. As part of the update, a Key Directions Report (2021) was released that contained direction to establish an urban structure that supports economic development by enabling more jobs within the City. Other directions provided in the report were to foster and promote business attraction and retention within intensification and employment areas that are responsive to the needs of businesses and identified the CIP programs to incentivize the revitalization of the Village. These key directions are all relevant to the goals of this CIP regarding office and job creation and the revitalization of the Village.

The Office Incentives Study (2013) provided an analysis of the opportunities and actions to attract and retain various forms of office development in the City. The study identified that between 2012 and 2022, the City will require approximately 11,600 to 13,900 square metres (125,000 – 150,000 square feet) of office space on an annual basis to meet the demand and maintain supply. To facilitate this and to help meet employment growth needs, the study recommended the development of a CIP to incentivize office development through a range of programs, including a Tax Increment Equivalent Grant (TIEG) for office development.

The Economic Development Strategy Update (EDS, 2017) seeks to promote the development of new office space in Richmond Hill and identifies that incentives through a CIP may support this. The EDS supports the development of new office development to accommodate the growth of high value sectors in the local economy and to support a better live/work balance in Richmond Hill.

More recently, the City's Investment Attraction Strategy (2022) identified that as of 2026, the City will require approximately 3,535 square metres per year on average of office development in buildings that are 1,858 square metres or larger to meet the anticipated 11,921 office jobs. The Strategy identified the CIP as a key program that supports and incentivizes new office development and that it should continue to be promoted as part of investment readiness efforts.

## **2.3 Community Improvement Needs**

A comprehensive assessment of community improvement needs was undertaken as part of the CIP Background Study (and presented in the Background Report and Implementation Framework documents). This analysis was reassessed in 2022 and based on the information contained in these documents, Richmond Hill's community improvement needs include:

- The need to meet employment targets, achieve a live-work balance and reduce labour force outflow, given limited employment land supply and challenges associated with employment intensification;
- The need to support growth in employment and the office sectors, in order to remain competitive with neighbouring municipalities; and
- The need for private and public realm improvements, as well as the need to achieve a live-work balance, in the Village to support revitalization and investment.

Richmond Hill has a limited supply of non-residential lands and the City's business parks (employment lands) are at approximately 88% build out (Richmond Hill's Vacant Employment Land Inventory, 2022). Newkirk Business Park, as the oldest of Richmond Hill's business parks, is mature and fully built out. While the park accommodates a generally stable employment base, there remain a few opportunities for expansion of existing buildings and structures. This may affect the ability for existing businesses to continue to grow and/or to support the adaptive reuse of existing structures for office use(s). Beaver Creek Business Park has the highest rate of build out (at 96%) of the Highway 404 employment lands and, generally, accommodates smaller parcel fabric when compared to the Headford and Barker Business Parks. This will continue to impact the nature of development, and re-development opportunities within the park, as well as the types of employment uses that this business park may attract in the future.

On that basis, urban office development in the City's older business parks (Newkirk and Beaver Creek) and along the designated Centres and Corridors will be important to the City's live-work balance and meeting of employment targets. While opportunities exist along the designated



Centres and Corridors along Yonge Street to develop office, the higher land values in this area, as well as the development market's recognition of the value of this area for high-density residential and/or mixed-use development, and fragmented parcel fabric all present challenges for office development to be realized.

Richmond Hill has a highly-educated workforce, but with high levels commuting outside of the City for work. The City's Investment Attraction Strategy (2022) ranked Richmond Hill very highly amongst comparable GTHA municipalities on a Creative Index adapted from the work of Richard Florida. This means the City is well-positioned to attract and retain creative workers and businesses that support sustained economic growth, which would be supported by more office development locally.

While future investment in higher-order transit infrastructure (i.e. the Yonge Street subway extension to Richmond Hill Centre, at Highway 7) is expected to stimulate some investment in the office market over the longer term, in the short term, challenges for the urban office market in Richmond Hill persist. These include similar challenges to comparable markets across York Region and include: higher land and development costs associated with office development, non-contiguous and/or fragmented parcel fabric requiring assembly for office development, relatively low office rental rates which present a lower rate of return on investment in these areas and higher land values given planning permissions for high-density residential and/or mixed-use development in the Centres and Corridors.

From a Village revitalization perspective, there remains a need to support this area as a destination. To achieve the vision set out in the Official Plan, private property and public realm improvements and support for office development is needed. Broader community improvement goals for this area include the protection, preservation and enhancement of the existing heritage building stock, the development of an attractive public realm, patios, and façade, landscaping and signage enhancements for properties in the Village.

Additional detail regarding the need for this CIP is provided in the CIP Background Report and CIP Implementation Framework.

## **2.4 Goals and Objectives**

The focus of this CIP and its programs is to incentivize office development in Richmond Hill. This CIP supports the catalyzation of office development in the Village and supports the area's revitalization.

Accordingly, the goals of the CIP are to:

- Support and contribute to needed office space within Richmond Hill;
- Support intensification within the City's Centres and Corridors and older business parks; and
- Realize the revitalization of the Village.

Based on the community needs and goals, the objectives of the CIP are to:

- Provide targeted support for office development to address slow growth in this form of development in prioritized planning areas – specifically in the Official Plan's designated Centres and Corridors along Yonge Street and older employment areas – to help meet municipal employment targets and office space forecasts;

- Support the development of office (stand-alone or mixed-use) within designated Centres and Corridors along Yonge Street. Where appropriate, the adaptive reuse of buildings for office in the Village Local Centre, Oak Ridges Local Centre, and the older business parks is also encouraged;
- Facilitate office attraction, retention and development to provide more opportunities for local employment in a manner which supports intensification and a live/work balance in designated Centres and Corridors along Yonge Street including the Village Local Centre, Oak Ridges Local Centre, and the older business parks;
- Facilitate employment land intensification by supporting the appropriate adaptive reuse of existing structures (industrial or commercial) for office in the Newkirk and Beaver Creek business parks;
- Ensure the availability of a range of office space in designated Centres and Corridors along Yonge Street and older employment areas to support small to large enterprises;
- Support the planned transit-supportive densities, compact urban form and pedestrian activity via appropriate intensification, infill and redevelopment along Yonge Street;
- To support revitalization of the Village through façade, public realm and signage improvements, as well as street-front redevelopment and landscaping in laneways and on street-fronts; and
- Promote investment in the private building stock in the Village Local Centre and to support a dynamic streetscape complete with civic gathering areas (e.g. via storefront patio development).

## **2.5 Public Benefits**

The CIP and its programs, as further set out in Section 4.0 CIP PROGRAMS, are designed to encourage private sector investment in new and existing office development (standalone or as part of mixed use developments) within the CIP Areas, and support Village revitalization by enhancing the functionality and exteriors of the building stock/properties in the Village.

The public benefits of these programs include:

- Improved live-work balance in Richmond Hill and the reduction of out-commuting of residents working in office sectors;
- Increased property tax assessment associated with office development, over the long term;
- The creation of usable office space that may accommodate new and growing local businesses over the long term;
- The leveraging of significant private sector investment in interior building renovations and improvements, leading to greater property tax assessment; and,
- The enhancement of the aesthetic appeal of the Village Local Centre, through façade, public realm and signage improvements, as well as street-front redevelopment, and any resultant economic spin-off effects, including the potential attraction of new business and development interest.

The CIP programs are set up as matching grants requiring that private sector investment match any provided public investment. As further set out in the CIP Background Report, a review of other CIPs and programs has determined that private sector investment generally exceeds any public funds provided.





# 3



### **3.0 CIP PROJECT AREAS**

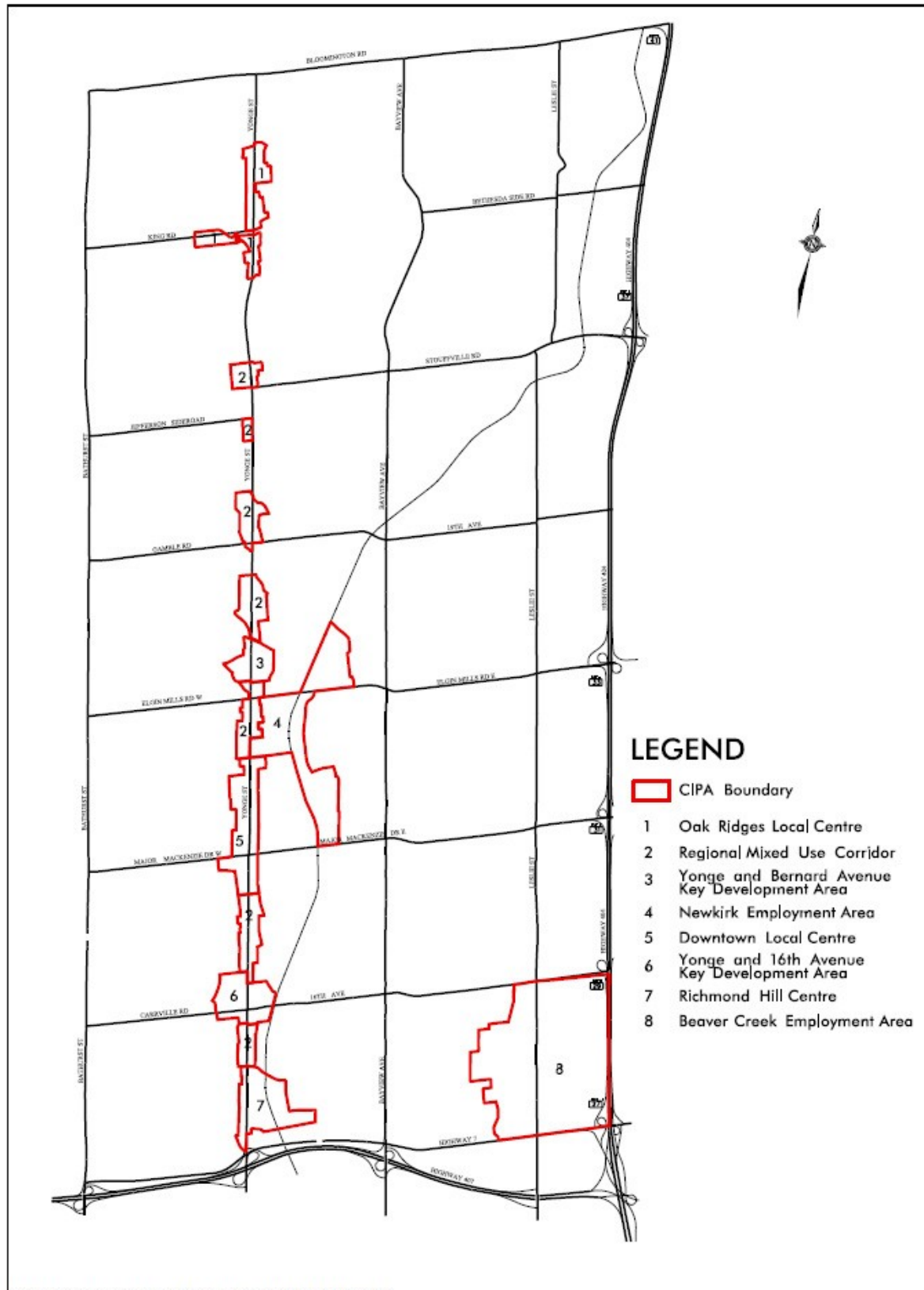
Map 1 delineates the geographic boundaries of the Richmond Hill Community Improvement Project Area (CIPA). Within this area, CIP programs will be available, as further set out in this document. Applications for CIP programs will only be considered for projects on properties located in the CIPA.

The CIPA boundary includes the following areas, as designated in the Official Plan (2010, as amended):

- The Centres and Corridors along Yonge Street (from Highway 7 in the south to Bloomington Road in the north) and including:
  - Richmond Hill Centre
  - Regional Mixed-Use Corridor designated lands
  - Yonge and 16<sup>th</sup> Avenue Key Development Area (KDA)
  - Yonge and Bernard Avenue KDA
  - Village Local Centre
  - Oak Ridges Local Centre
- Newkirk Employment Area and lands east of the CN/GO rail corridor and north of Major Mackenzie within the Newkirk Local Centre
- Beaver Creek Employment Area and the East Beaver Creek and Highway 7 Local Centre

The designated Centres and Corridors along Yonge Street are identified as part of the CIPA as these areas exhibit challenges in regards to urban office development, including the higher land values, competition with other permitted uses such as high-density residential and/or mixed-use development and fragmented parcel fabric. The lands designated as Regional Mixed Use Corridor along Highway 7 were not identified as part of the CIPA as they contain lands that have been recently developed in accordance with the Official Plan and/or contain lands under application for a mix of uses and would therefore not require program support. The lands designated as Local Development Area or Local Corridor along Major Mackenzie Drive have also been excluded from the CIPA as they are not high priority for office development at this time.

The Beaver Creek and Newkirk Business Parks are identified as part of the CIPA in order to support employment intensification, office conversion and/or appropriate re-development within these areas. Given Richmond Hill's limited supply of non-residential lands and high employment land build out, redevelopment of these older areas ensures more efficient use of land and infrastructure. The Headford and Barker Business Park, which contain vacant lands or lands currently under application, will continue to provide greenfield development opportunities and do not exhibit the same needs as the older business parks. On that basis, Headford and Barker Business Park were not identified as part of the CIPA.



**Figure 1: Recommended Community Improvement Areas (CIPA) in Richmond Hill**



# 4

## **4.0 CIP PROGRAMS**

The CIP programs are designed to address the community improvement needs set out in this CIP.

### **4.1 Program Overview**

The programs implemented under this CIP are set out below, followed by a brief description:

- Tax Increment Equivalent Grant (TIEG) Program for Office Development, available across the CIPA;
- Building Renovation Grant Program, within the Village Local Centre, Oak Ridges Local Centre, and the Newkirk and Beaver Creek Business Parks, and
- Façade, Landscaping and Signage Improvement Grant (available in the Village boundary only).

The Tax Increment Equivalent Grant (TIEG) for Office supports the development/intensification of office use (stand-alone or as part of mixed use developments) across the entire CIPA. This program leverages increased property tax assessment generated from new office development over 1,600 square metres and is funded by increased tax increment associated with development. Through this program, the share of municipal property tax collected are granted back to applicants in increments that will decline on an annual basis, for a maximum period of 10 years. By granting back a portion of the tax increment that would be otherwise collected by the City, this program helps to reduce some of the risk associated with office construction. At the end of the program, the City will benefit from the collection of the increased property tax assessment in full.

The Building Renovation Grant Program promotes the adaptive re-use of existing structures (industrial, commercial or other) for office use in the Village Local Centre, Oak Ridges Local Centre, Newkirk Business Park and Beaver Creek Business Park areas of the CIPA. This grant program has the potential to leverage significant private sector investment in interior building renovations and improvements, and may help address the costs involved with a range of matters, such as retrofitting space for office uses.

The Façade, Landscaping and Signage Improvement Grant Program supports the aesthetic improvements in the Richmond Hill HIA boundary of the Village Local Centre by providing matching grants to eligible property owners for building facades, front, rear or side lot landscaping (i.e. publicly accessible parts of private properties), exterior signage improvements or any combination of these 3 categories of property enhancement.

The CIPAs where each program is to be implemented is identified in Figure 2 – Community Improvement Project Areas – Program Application.



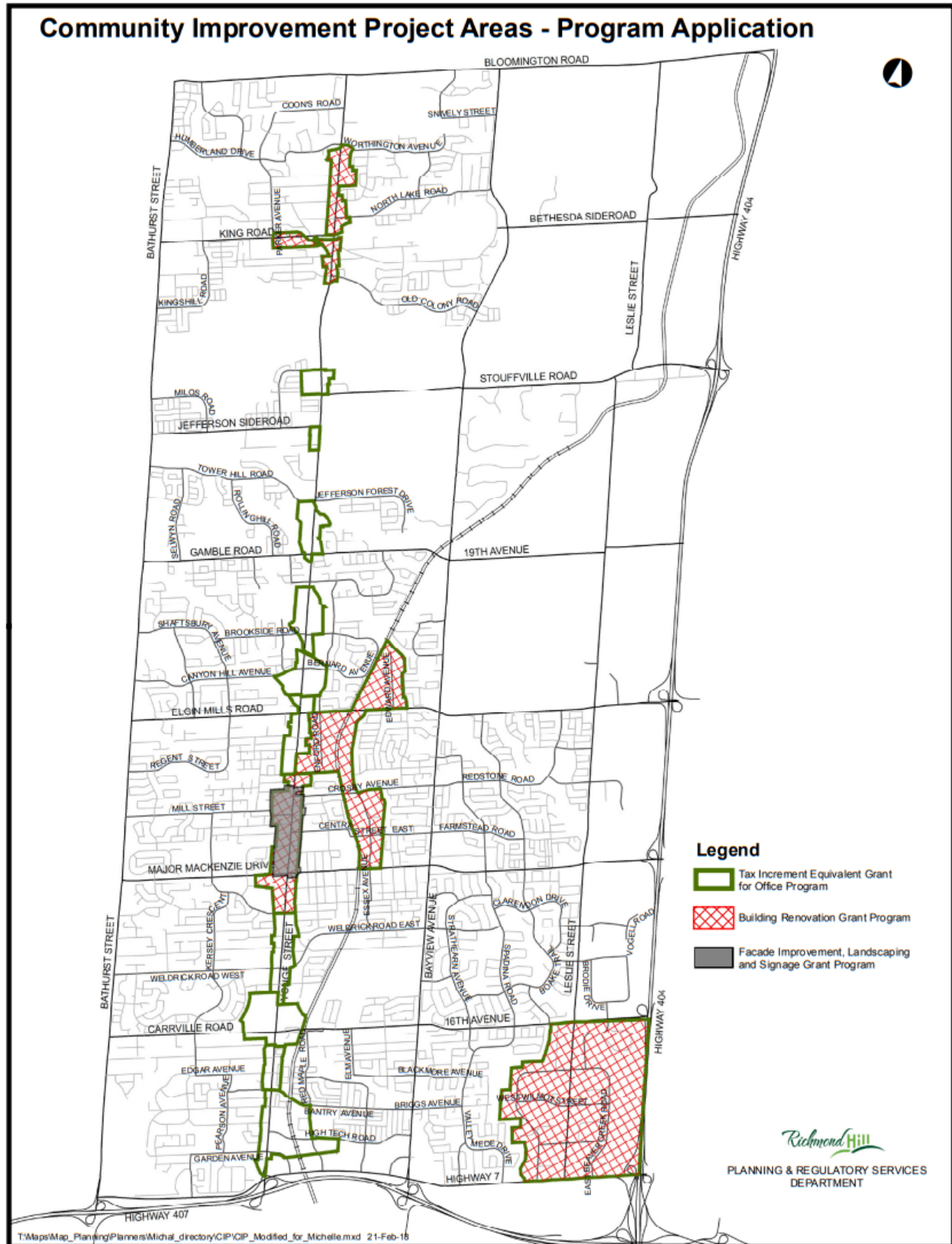


Figure 2: Community Improvement Project Areas - Program Application

## **4.2 General Eligibility Criteria for All Programs**

The following are General Eligibility Criteria that must be met by all applications for assistance under the programs set out in this CIP. The General Eligibility Criteria must be read in association with the program-specific eligibility criteria for each program.

The General Eligibility Criteria for each application for CIP programs include:

1. The subject property is located within the boundary of the CIPA, as set out in Map 1 of this Plan.
2. The proposed application(s) for CIP program support are in conformity with the City's Official Plan.
3. The applicant, property owner, assessed property owner or tenant of a property to whom the owner has assigned consent to receive assistance under the CIP is in good standing with regard to by-laws of the City of Richmond Hill, property taxes, municipal fees and levies liable on the property and/or outstanding municipal bills and is not involved in ongoing litigation with the City. Should matters be remedied and/or cleared and/or resolved, applications for assistance under the CIP may be reinstated.
4. The applicant must either be a registered property owner, assessed property owner or a tenant of a property to whom the owner has assigned consent to receive assistance under the CIP.

Approval will be based on the merits of each application (i.e. achievement of eligibility criteria) and subject to the recommendations made by City Staff and the approval of Council, as further described in Section 6.0 IMPLEMENTATION.

The amount of assistance provided under the CIP programs is subject to and at the discretion of Council and is dependent on the list of eligible costs identified for each CIP program.

The total of all grants and tax assistance made in respect of the eligible lands and/or buildings may not exceed the eligible costs of the CIP with respect to those lands and/or buildings.

## **4.3 Tax Increment Equivalent Grant for Office**

The Tax Increment Equivalent Grant (TIEG) program for office is designed to support the development/intensification of office (stand-alone or as part of mixed-use developments) across the entire CIPA.

The TIEG program leverages the increased assessment and property taxation generated by office development and reduces costs of development by:

- Providing a grant equivalent to the municipal portion of the property tax for a new office development; and
- Limiting the total impact of increased assessment and property taxes as a result of the development by phasing the increases in over a maximum period of 10 years or equivalent to the maximum cost of rehabilitation, renovation and/or (re)development.

This TIEG program focuses on net municipal taxation gain associated with new office development, which would otherwise be unrealized if the office development had not occurred. The grant is based on the "Reimbursing Developer" approach. As part of the program, the property owner/developer pays for the full cost of new office development and the resultant increase in property taxes. The program allows the City to grant back to the owner and/or

development and/or assigned recipient, on a declining basis, an amount equal to a portion of the municipal portion of the property tax increase over an established “base” assessment. During the grant period, tax assessment growth resulting from an office development is forgone income for the City. However, at the end of the TIEG program, the grant ceases and the City collects the full amount of property taxes, realizing the full benefit of increased property assessment. The City benefits by the resulting revaluation and increase in tax liable on the property over the long term. This program supports the City’s objectives to create jobs and reduce out-commuting of residents who work within the office sectors. See Table 1 for an illustrative example of the program structure.

The program is structured as follows:

- The maximum amount of the grant is 90% of the annual tax increment, over the agreed base assessment and property tax liability in Year 1, declining by 10% per annum;
- The maximum duration of the program is 10 years; and
- The maximum total grant amount is limited to the lesser of the total tax increment over the duration of the program or the total **eligible costs**.
- In the case of mixed-use developments, the grant would only apply the tax increment applicable to the office portion of a development.

**Table 1: Illustrative Annual Grant-Back Share/Amount**

<b>Duration/ Period</b>	<b>Grant Share</b>	<b>Annual Tax Increment on Municipal Portion</b>	<b>Grant Value Payable</b>	<b>Taxes Retained by City</b>
Year 1	90%	\$50,000	\$45,000	\$5,000
Year 2	80%	\$50,000	\$40,000	\$10,000
Year 3	70%	\$50,000	\$35,000	\$15,000
Year 4	60%	\$50,000	\$30,000	\$20,000
Year 5	50%	\$50,000	\$25,000	\$25,000
Year 6	40%	\$50,000	\$20,000	\$30,000
Year 7	30%	\$50,000	\$15,000	\$35,000
Year 8	20%	\$50,000	\$10,000	\$40,000
Year 9	10%	\$50,000	\$5,000	\$45,000
Year 10	0%	\$50,000	\$0	\$50,000
<b>Total</b>		<b>\$500,000</b>	<b>\$225,000</b>	<b>\$275,000</b>

- This program does not apply to the portion of the tax rate levied by YorkRegion.
- This program does not apply to the Education Portion of the tax rate.

#### **4.3.1 Program-specific Eligibility Criteria**

In addition to the General Eligibility Criteria set out in Section 4.2 of this CIP, the following program-specific eligibility criteria apply:

1. A minimum of 1,600 square metres of new office space, in stand-alone or mixed-use developments, is proposed to be developed.

2. In mixed-use developments, the grant shall reflect and apply only to the tax increment associated with the office portion of the development.
3. Final eligibility will be determined through the demonstrated success of the project through all stages of application (as required) for planning approval, building permit issuance and building code compliance, construction, occupancy, financial viability and revaluation by the Ontario Municipal Property Assessment Corporation (MPAC).

#### **4.3.2 Eligible Costs**

Eligible project costs supported under this program include the following works related to new office construction:

1. Site development and infrastructure work including demolition and disposal off-site, improvement or reconstruction of existing on-site public infrastructure (water services, sanitary and storm sewers, other);
2. Major building rehabilitation, and significant renovation and rehabilitation;
3. Costs associated with the assessment of environmental conditions and the remediation of environmental contamination, and environmental protection;
4. Design, engineering, legal, insurance, and other professional fees (as the discretion of the City of Richmond Hill) directly related to the design and development and commissioning of the completed building(s); and
5. Any other costs identified by the City.

For greater clarity, eligible costs exclude both construction financing and long-term debt financing principal and interest costs.

#### **4.3.3 Additional Provisions**

Following the completion/reassessment of an approved development, redevelopment, or rehabilitation project, and payment of the full reassessed value of City taxes by the property owner, a grant is provided that is equivalent to the portion of the tax increment, for a period of up to 10 years.

The grant value is calculated based on the difference between pre-project City municipal taxes and post-project City municipal taxes.

The City will determine the actual value of grants on a case-by-case basis. The grant will be paid annually once the eligible project is complete, building inspection has taken place, the property has been reassessed, and the new property taxes have been paid in full for the year.

The property owner is required to pay the education portion of the taxes and may not be in a position of tax arrears or default of any other financial obligation of the municipality.

#### **Approval Process**

The City reimburses the owner or assigned recipient by way of an annual grant equivalent to the agreed Municipal Portion of the increment property tax increase over an established “base” assessment value and **tax liability**. This defined increment is calculated after the reduction of:



- Any phase-in agreements to soften tax increases that may exist through existing policy or programs;
- Or any tax rebates granted to charitable organizations as owners or tenants; and
- Any other rebate which lessens the overall initial (prior to the program) tax liability of the property.

Given the nature of the grant program as achievable only on completion and revaluation of the property, the City of Richmond Hill will enable the approval in principle for accessing this grant subject to necessary conditions. This approval in principle can be provided at the same time as approval for other programs of assistance is provided.

The City of Richmond Hill will determine the existing “base” assessment for the property – this will normally be defined as being either at the time of approval of the application for Tax Increment Equivalent Grant support and is based on the assessment and tax class at that time. The City may, at its discretion, establish an alternate date for purposes of establishing the base assessment and property **tax liability**. Where a project is phased over several years the grant will be based on the property re-assessment and taxable status of the project in each of the interim years before project completion. At project completion, the grant (as applicable) will be based on the assessed property value provided by the Municipal Property Assessment Corporation (MPAC).

Final approval of grant funding in each year occurs after:

- a. Conditions as stated in the Tax Increment Equivalent Grant Agreement have been fulfilled;
- b. Submission of eligible costs at the time of application;
- c. Receipt of assessed value of the property by MPAC in each year; and
- d. Final approval of amount of grant by Council.

For multi-phase/multi-year projects, approval is based on completion and final costing of each phase, and revaluation in each year by MPAC.

The commencement date for the program (for purposes of calculating the increment) will be at the discretion of the City of Richmond Hill following discussions with the applicant based on the merits of the development project and resulting estimates of tax increment grant created by the development project over time.

### **Target Group**

This grant program is intended for landowners/developers who are actively seeking the rehabilitation, renovation, (re)development or re-use of properties within the Community Improvement Project Area (CIPA) for office and provide:

- i. Site plan/floor plans for rehabilitation, renovation, or (re)development; and
- ii. Estimated costs of renovation, rehabilitation or (re)development.

### **Fiscal Implications**

The potential exists for fiscal impacts to the City arising from what is effectively a deferment of a portion of tax revenues. As such, the City, as part of the application evaluation process, will need to determine whether or not it is in the best interest of the

City to approve a grant based on the likely community improvement benefits of a given project.

#### **4.4 Building Renovation Grant Program**

This program is designed to promote the adaptive re-use of existing structures (industrial, commercial or other) for office in the Village Local Centre, Oak Ridges Local Centre, Newkirk Business Park and Beaver Creek Business Park areas of the CIPA. The program is also intended to promote functional improvements, accessibility and upgrades to an older building stock as well as change of use as permitted under zoning (or as may be amended through Zoning By-law Amendment application). Property improvements can include any identified and eligible improvements to the building, its structure, building systems, and major internal fit-up.

This program will support building improvements resulting in higher property assessment(s) and supports the City's objectives to create jobs and reduce out-commuting of residents who work within the office sectors.

This grant program has the potential to leverage significant private sector investment in interior building renovations and improvement associated with office uses, and help address the costs involved with a range of matters such as:

- Building, fire and other code compliance upgrades linked to the development of office space;
- Expansion/additions for the office;
- Retrofitting space for office (upper and ground floors);
- Interior structural works and upgrades (including electrical, mechanical, HVAC and other building systems.);
- Renovations to a building on the City's Inventory of Cultural Heritage Resources.

The program is structured as follows:

- The grant maximum is \$100,000 per property and the grant minimum is \$10,000 per property; and
- The grant is provided on a matching funds basis, to a maximum of 50% of **eligible costs**

##### **4.4.1 Program-specific Eligibility Criteria**

In addition to the General Eligibility Criteria set out in Section 4.2 of this CIP, the following program-specific eligibility criteria apply:

1. A conversion of existing commercial and/or industrial and/or residential space to office space is planned.
2. Renovations related to the adaptive re-use of a building on the City's Inventory of Cultural Heritage Resources for any non-residential use.
3. Notwithstanding provision (1) above, **general tenant fit-up** and systems upgrades associated with existing uses shall not be supported under this program. Improvements related to accessibility, in accordance with the Accessibility for Ontarians with Disabilities Act, within existing and/or new office space may be supported by this program.
4. Notwithstanding the General Eligibility Criteria set out in Section 4.2 of this CIP, the subject property must be located in the following CIPA:

- a. Village Local Centre;
- b. Oak Ridges Local Centre;
- c. Newkirk Business Park; and/or
- d. Beaver Creek Business Park.
5. Two quotes are prepared by qualified professionals demonstrating the valuation of the works and identifying **eligible costs**.

#### **4.4.2 Eligible Costs**

**Eligible Costs** include:

1. Costs associated with materials, labour, equipment, insurance, regulatory approvals and professional fees related to internal building works, building, fire and other code compliance upgrades linked to the development of office space;
2. Expansion/additions for office, retrofitting space for office (upper and ground floors);
3. Interior structural works and upgrades (including electrical, mechanical, HVAC and other building systems); and,
4. Any other costs identified by the City.

#### **4.4.3 Additional Provisions**

Additional provisions regarding this program are set out below.

##### **Approval Process**

Grants are dispersed upon **Final Completion**; however, Council has the discretion to disperse a portion of the grant in advance of completion, without amendment to this plan.

Conditions of approval will be established by the City and may extend to any reasonable consideration to ensure the interests of the City as funder are upheld. Generally, all approvals under this program will require that construction commence within 6 months of an approved grant application and building permit (if required), and **Final Completion** within 18 months. Council may at its discretion adjust these requirements based on the particular circumstances of the construction project which may necessitate approvals from other agencies and/or delays in construction which are not in the control of the applicant to overcome.

Applicants will be required to enter into an agreement as to the above terms and conditions of the grant

##### **Other Restrictions**

Other restrictions include the following:

- The City of Richmond Hill has the right to review any and all aspects of the program, including the purpose, form, method of application, evaluation and amount of funding of the program, from time to time, or at any time, for any reason, and at the sole and absolute discretion of the City.
- As necessary, the City may amplify or adjust the application and approval protocols associated with this program.

- The City may refuse an application if it deems project feasibility to be limited or for any other reason, at the discretion of the City.
- If the completed project proves to be inconsistent with the proposed project that was approved and detailed in the application form and supporting documentation, then the City has the right to delay (pending correction of the building works), withhold or cancel the disbursement of funds.

#### **Other Government/Non-profit Organization investment**

Applicants who identify other sources of financial assistance for interior building renovations will be given preference in the allocation of funds. The City retains the right to limit funds to reflect impacts of other sources of funding.

### **4.5 Façade, Landscaping and Signage Improvement Grant**

The Façade, Landscaping and Signage Improvement Grant Program seeks to enhance the aesthetic appeal of the Village Local Centre, through façade, public realm and signage improvements, as well as street-front redevelopment, and any resultant economic spin-off effects, in keeping with the design objectives of the Official plan for the Village Local Centre.

The grant encourages the private sector property owners to implement aesthetic improvements to properties that otherwise may not occur due to cost-related issues. The target group for this grant program are private sector property owners, with an emphasis on commercial, retail, office, and mixed-use properties within the BIA.

Under the Façade, Landscaping and Signage Improvement Grant Program, matching grants will be offered to eligible property owners within the portion of the Village Local Centre area identified as the Richmond Hill Business Improvement Area (BIA) ("Village"), as determined by by-laws passed by Richmond Hill Council to determine the extent of such area. The grant is for building facing, rear and front lot landscaping (publicly accessible parts of private properties), exterior signage improvements or any combination of these categories of property enhancement.

The benefits of this program are:

- Grant supports the enhanced aesthetic appeal of the Village through façade, public realm and signage improvements, as well as street-front redevelopment. This is expected to result in increased visitation and positive economic impacts.
- Potential to leverage private sector investment in moderate building improvements which have a direct benefit to the architectural quality of the Village Local Centre (VLC) in Richmond Hill.
- Public and private space design improvements may contribute to job creation in the Village.

The program structure is identified below, in Table 2 – Façade, Landscaping, and Signage Improvement Grant Program Structure:



**Table 2: Façade, Landscaping and Signage Improvement Grant Program Structure**

<b>Grant</b>	<b>Program Structure</b>
Façade Grant	<ul style="list-style-type: none"> <li>• Matching grant of up to 50% of <b>eligible costs</b> or a maximum grant of \$15,000 per property for a single façade, whichever is less.</li> <li>• Matching grant of up to 50% of eligible improvement costs or a maximum grant of \$25,000 per property, whichever is less for façade improvement projects involving more than one façade.</li> <li>• The minimum grant is \$2,500 per property. Project applications including matching assistance of less than \$2,500 will not be considered</li> </ul>
Landscaping Grant	<ul style="list-style-type: none"> <li>• Matching grant of up to 50% of <b>eligible costs</b> or a maximum grant of \$5,000 per property for a single frontage, whichever is less.</li> <li>• For combined street-front and side-lot or rear-lot landscaping improvements: Matching grant of up to 50% of <b>eligible costs</b> or a maximum grant of \$10,000 per property, whichever is less. The minimum grant is \$2,000 per property. Project applications including matching assistance of less than \$2,000 will not be considered.</li> </ul>
Signage Grant	<ul style="list-style-type: none"> <li>• Matching grant of up to 50% of <b>eligible costs</b> or a maximum grant of \$2,500 per business unit, whichever is less.</li> <li>• The minimum grant is \$1,000 per business unit. Project applications including matching assistance of less than \$1,000 will not be considered.</li> </ul>

#### **4.5.1 Program-specific Eligibility Criteria**

In addition to the General Eligibility Criteria set out in Section 4.2 of this CIP, the following program-specific eligibility criteria apply:

1. The subject property is located within the Richmond Hill Business Improvement Area (BIA) area and accommodates a non-residential use.
2. Notwithstanding provision (1), the subject property may also accommodate a multi-unit residential use and/or a converted residential building now used, in part or in whole, for commercial/office use.
3. An improvement of one or more building façades occurs and/or an improvement of signage and/or an improvement of landscaping and the public realm is proposed for the subject property.
4. For the purpose of the Façade Grant and Landscaping Grant components of this program, eligible façades include:
  - a. Frontage façade;
  - b. Side façade or rear façade, where the side or rear of a property is facing a public and/or private street/lane and/or public park and/or public gathering space, and/or parking area that is accessible and/or highly visible to the general public.
5. Notwithstanding provision (4), improvements to rear façades and/or rear landscaping improvements shall be considered secondary for purposes of allocation of funding under this program.

6. The proposed improvements are in keeping with the design objectives of the Official Plan and other applicable urban design guidelines.
7. Two quotes are prepared by qualified professionals demonstrating the valuation of the works and identifying **eligible costs**.

Applications for this program may also be eligible for support under the City of Richmond Hill's Heritage Grant Program as further described in Section 5.1 Heritage Grant.

#### **4.5.2 Eligible Costs**

**Eligible costs** include:

1. Costs associated with the enhancement, replacement and rehabilitation of eligible non-residential façades, doors and windows;
2. Restoration of existing façade and surfaces (woods, tuck pointing, cleaning);
3. New or updated surface materials, such as awnings;
4. Improvements and enhancements to street front landscaping (e.g. pavers, stamped concrete, trees, plants, bio-swales) and signage;
5. Materials, labour, equipment and professional fees related to external building works specifically for façade improvement and/or signage development and/or implementation of landscape improvements;
6. New enhancement or replacement of exterior lighting fixtures;
7. patio development;
8. Upgrading of paving materials that support the development and enhancement of streetfronts, lanes, and/or parking areas;
9. Signage replacement/enhancement; and,
10. Any other costs identified by the City.

#### **4.5.3 Additional Provisions**

Additional provisions regarding this program are set out below:

##### **Approval Process**

Façade, Landscaping and Signage Improvement grants are dispersed upon **Final Completion**; however, Council has the discretion to disperse a portion of the grant in advance of completion, without amendment to this plan.

Conditions of approval will be established by the City and may extend to any reasonable consideration to ensure the interests of the City as funder are upheld. Generally, all approvals under this program will require that construction commence within 6 months of an approved building permit, if applicable, and **Final Completion** within 18 months. Council may at its discretion adjust these requirements based on the particular circumstances of the construction project which may necessitate approvals from other agencies and/or delays in construction which are not in the control of the applicant to overcome.

##### **Other Restrictions**

- The City of Richmond Hill has the right to review any and all aspects of the program, including the purpose, form, method of application, evaluation and amount of

funding of the program, from time to time, or at any time, for any reason, and at the sole and absolute discretion of the City.

- As necessary, the City may amplify or adjust the application and approval protocols associated with this program.
- The City may refuse an application if it deems project feasibility to be limited or for any other reason, at the sole discretion of the City.
- If the completed project proves to be inconsistent with the proposed project that was approved and detailed in the application form and supporting documentation, the City retains the right to delay (pending correction of building work), withhold or cancel the disbursement of funds.

**Other Government/Non-Profit Organization Investment**

Applicants who identify other sources of financial assistance for exterior building renovations will be given preference in the allocation of funds. The City of Richmond Hill retains the right to limit funds to reflect impacts of other sources of funding.



5

## **5.0 SUPPORTING PROGRAMS**

To complement the goals and objectives of this CIP, two supporting programs are identified: the existing Heritage Grant and the Development Charge Deferral Program, to be considered through the 2018/19 Development Charges Update. These programs are authorized under separate legislation and do not require a CIP to operate.

### **5.1 Heritage Grant**

The authority to operate the Heritage Grant is provided under sections 39 and 45 of the Ontario Heritage Act.

The City of Richmond Hill recognizes there is a cost associated with maintaining and repairing a designated heritage property that is sometimes higher than non-designated properties. To assist owners of designated heritage properties the City has established a revised Richmond Hill Heritage Grant Fund in 2013 to provide matching financial assistance (up to \$5,000) to owners to undertake eligible conservation work relating to preservation and restoration of their properties. The grant is to work in tandem with the Façade, Landscaping and Signage Improvement Grant.

The City of Richmond Hill has established a fund to support the Heritage Grant Program. The fund provides qualified applicants with a matching grant of 50% of the project cost, up to a maximum of \$5,000. The grant amount is based on the owner's actual expenditures.

In order to be eligible for the Heritage Grant Program the property must be designated under Part IV or Part V of the Ontario Heritage Act and meet a number of additional qualification criteria. Proposed work must also meet the eligibility requirements set out by the City.

Additional details on this program are provided at <https://www.richmondhill.ca/en/find-or-learn-about/cultural-heritage-planning.aspx>.

### **5.2 Development Charge Deferral Program**

The authority to operate the Development Charge Deferral Program is provided under the *Development Charges Act, 1997, S.O. 1997*.

The Development Charge Deferral Program is a potential program that may be designed to encourage new office development (stand-alone or mixed use) as part of high-rise developments (defined to mean 4 or more storeys). The program may be designed to complement the Region of York's DC Deferral program for office by providing a deferral of up to 75% of Richmond Hill's City-wide, non-retail development charge levied on high-rise office developments, for up to 18 months after building permit issuance.

Council may consider the implementation of such a program through an update to the City's Development Charges By-law. See <https://www.richmondhill.ca/en/invest-and-do-business/Development-Charges.aspx> for more information on the City's development charges.





6

## **6.0 IMPLEMENTATION**

This section sets out the implementation strategy for the CIP, and addresses matters of administration and resourcing, including CIP duration and funding.

### **6.1 CIP Duration**

The CIP timeframe of implementation shall be limited to a 5-year period, starting in 2018 through to 2022.

Notwithstanding this, the period of administration associated with disbursements to successful CIP program applicants may occur outside of the 5-year implementation period, if required by the program.

Council also has the right to extend, revise or alter the CIP beyond the initial five year horizon, subject to the objectives of Council. This CIP has been extended another five years to 2027.

### **6.2 Rights and Discretion of Council**

#### **6.2.1 Reviewing the Plan**

The Council of the City of Richmond Hill has the right to review any and all aspects of the CIP and its programs, including the purpose, form, method of application, evaluation and amount of funding of the program, from time to time, or at any time, for any reason, and at the sole and absolute discretion of the City.

#### **6.2.2 Consideration of Funding**

The Council of the City of Richmond Hill reserves the right to limit access to funding from multiple CIP programs if, in its determination, there is a degree of overlap of funding that is not an appropriate use of scarce resources or the value of individual project funding is deemed to unduly limit the availability of community improvement funding to other projects in the CIPA. At all times, the principle of matched funding necessitates that Council will not fund more than 50% of **eligible costs** or stated funding caps, whichever is less (save and apart from the Tax Increment Equivalent Grant Program for Office which represents foregone revenue and supporting programs referenced in this plan).

The decision by Council to fund projects through the CIP and its programs is entirely at the discretion of the City of Richmond Hill. Council reserves the right to determine the level of funding which shall be received by an applicant, whether to fund at all or in part, and what conditions, obligations and other requirements are attached to funding allocations.

In all cases of program funding assistance, the City of Richmond Hill reserves the right to limit or refuse funding where applicants have successfully applied for and received funding for similar purposes from other sources of grants or preferential loan assistance – this includes, for example, any other building-related grant incentive provided by upper levels of government and agencies of government.

Notwithstanding this provision, where Council determines that full access to City funding sources in addition to funding from other public sources is merited by virtue of

the particular circumstances, nature or scope of the project, Council may choose, in its sole discretion, to waive this provision.

### **6.2.3 Default or Termination of Funding**

Recipients of program assistance from the City of Hill who are deemed by the City to be in default of the requirements of the program for ongoing program support, will, at the discretion of Council, receive notice of intention to terminate program assistance. At the discretion of Council, applicants will be provided with the opportunity to remedy the default. Should such remedy not be forthcoming within a period stipulated by Council, program assistance will be terminated.

### **6.2.4 Retroactivity of Funding**

At no time will financial support be provided on a retroactive basis to projects where eligible costs have been incurred prior to the approval of the grant application by Council. City staff will only consider grant applications for proposed projects where no work has commenced and no expenses have incurred in connection with the proposed project.

### **6.2.5 Portability of CIP Grant**

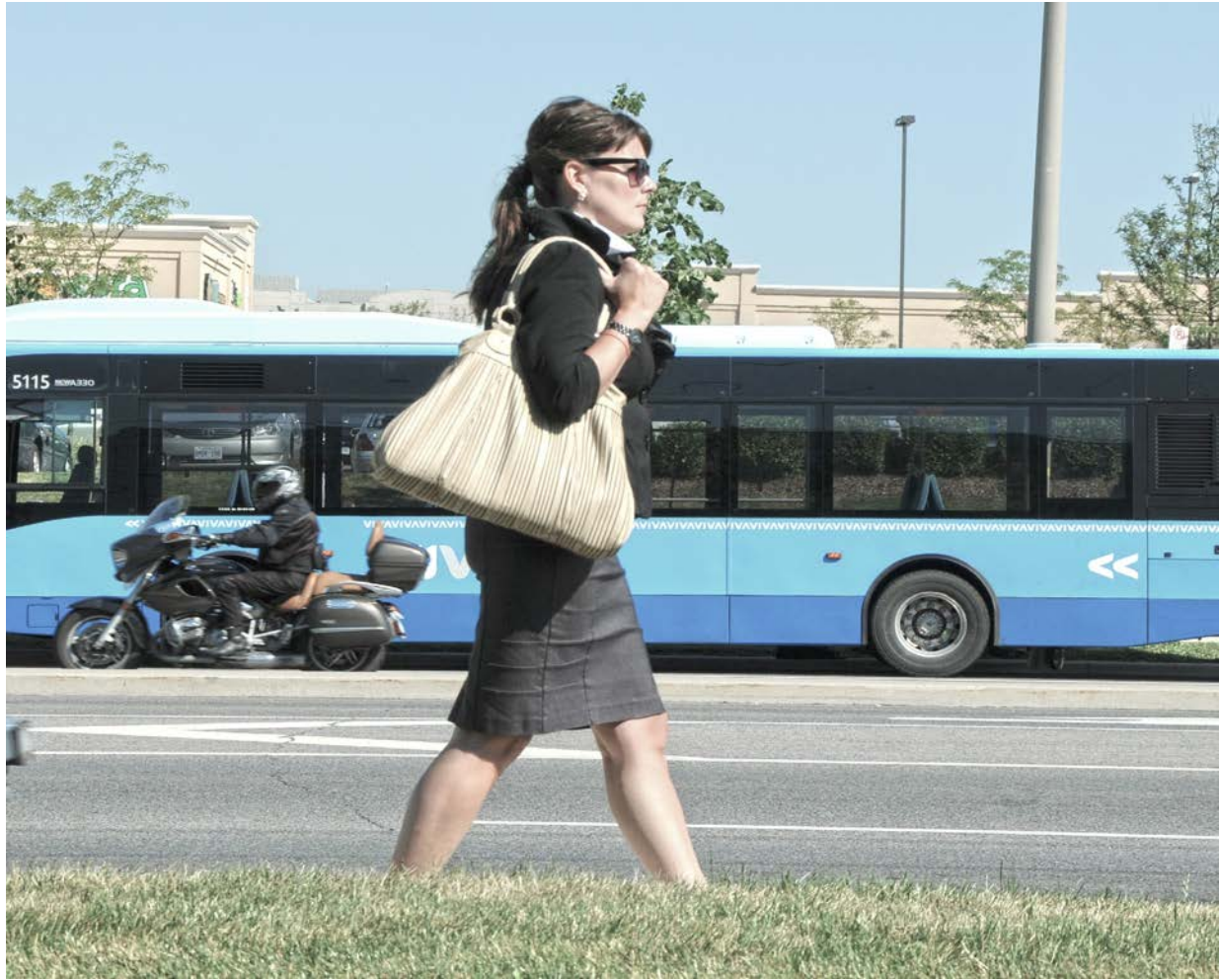
A CIP grant may be transferred to a new owner of the subject property prior to the CIP grant being advanced provided that the Owner acknowledges that, in order to remain eligible for the CIP grant, the City must be advised in writing 30 days in advance of the change of ownership and any new Owner must enter into the CIP Agreement on the same terms and conditions as originally required by the City, at the City's sole discretion.

## **6.3 Program Marking and Promotion**

Marketing of the CIP will be undertaken by Council and City staff. It is anticipated that this will require a series of approaches to effectively target the primary audiences for programs:

- Medium to large office developers and/or investors;
- Small business and/or property owners; and
- Various associations, including the Richmond Hill Board of Trade and the Board of Management for the Village of Richmond Hill Business Improvement Area (BIA).

To support program marketing and promotion, it is recommended that City Staff prepare a Marketing Plan to support the CIP. The CIP Implementation Framework includes suggested actions in respect to marketing which City staff may consider in preparing the Marketing Plan.



7

## **7.0 MONITORING AND REVIEW**

City Staff will undertake annual monitoring and review of this CIP and its programs. To support monitoring and review, performance metrics for the CIP and its programs are required.

### **7.1 Monitoring the CIP**

City Staff shall undertake the following activities to support the development of baseline data for the CIP:

1. Prepare an inventory of vacant lands, which may be updated from time to time; and,
2. Prepare an inventory of assessment values, as determined by MPAC, for properties within the CIPA at the onset of implementation.

City Staff shall monitor the following matters to assess the impact of this CIP and its programs:

1. The total amount of committed funds to the CIP;
2. The number of applications submitted;
3. The number of successful applications (overall take-up of each program);
4. The total amount (in dollars) of public funds provided;
5. The estimated total amount (in dollars) of private-sector investment that resulted; and
6. The qualitative assessment as to projects when works are completed (including, but not limited to, photographic evidence of subject lands prior to and following program support).

In addition to the above noted matters, City staff shall monitor the following matters as they pertain to successful applicants:

1. For the Tax Increment Equivalent Grant:
  - a. The estimated total amount (in dollars) of the tax increment and resultant grant provided;
  - b. The estimated total amount (in dollars) of construction;
  - c. The estimated total area of office space constructed; and,
  - d. The estimated increase in assessed property value, as provided by MPAC.
2. For the Building Renovation Grant Program:
  - a. The estimated total amount (in dollars) of the grant provided;
  - b. The estimated total value (in dollars) of works undertaken / construction;
  - c. The type of work(s) undertaken as part of the project; and
  - d. The estimated total area of office space constructed.
3. For the Façade, Landscaping and Signage Improvement Grant Program:
  - a. The estimated total amount (in dollars) of the grant provided;
  - b. The estimated total value (in dollars) of works undertaken / construction; and
  - c. The type of work(s) undertaken as part of the project.

### **7.2 Staff Reporting to Council**

City staff will bring forward reports to Council for consideration of applications made under CIP programs.



In addition, City staff will report annually to Council in respect to individual program uptake, required updates to phased in funding and/or funding approach, grant disbursement and associated value of private sector investment supported.

### **7.3 Evaluating and Updating the CIP**

Based on monitoring and review, City staff will complete a detailed review in Year 5, to assess the effectiveness of the plan and its programs. Based on this review, adjustments to the CIP may be undertaken without formal amendment to the CIP and its provisions, unless as specified in Section 7.4 Amending the CIP.

### **7.4 Amending the CIP**

Council reserves the right to amend the process of application for CIP program support and/or the evaluation of applications, at any time and for any reason, without the requirement to amend the approved CIP.

Changes to the provisions of this CIP which are considered to represent a material change which necessitates a formal amendment to the Plan, include the following:

1. A significant change to the boundary of the geographic area subject to the CIP, unless the boundary change is a result of an Official Plan amendment or BIA by-law amendment;
2. The addition of new programs of financial assistance operationalized within this CIP;
3. An extension to the approved term (duration) of the CIP;
4. A significant, order of magnitude increase in the maximum amount of financial assistance offered as part of the guidelines for funding contained in this plan; and
5. A significant change in the eligibility criteria for access to program support under this CIP.

## 8.0 DEFINITIONS

**Eligible Costs** means all capital cost categories for which the owner is entitled to program assistance from the City of Richmond Hill as may be approved and as may be provided for in the CIP and further specified in any agreement that may be required to execute funding. Eligible costs do not equate to the maximum levels of financial assistance under individual programs.

**Final Completion** means the conclusion of proposed building/construction work in its entirety as well as subsequent final payments (including hold-backs) for which proof of payment may be provided by the applicant to the City.

**General Tenant Fit-up** means standalone projects for wall partitions, finishes, fixtures, lighting, power, equipment, etc. for the general purpose of enhancing space and which are not part of a substantial building conversion project for office.

**Tax Liability** means the annual real property taxes levied by the City of Richmond Hill including the Municipal and Education Portions of the taxes.

**TIEG** means Tax Increment Equivalent Grant as provided for under Section 28(7) of the Ontario Planning Act. A TIEG is a grant equal to the full amount, or a portion of the amount of municipal property taxes increase after a property is reassessed. The increase in taxes, or tax increment, is calculated by subtracting the municipal portion of property taxes before reassessment from the municipal portion of property taxes after reassessment. A municipality may provide any portion of the increment for any length of time their council deems appropriate. The tax increment does not include any increase/decrease in municipal taxes due to a general tax rate increase/decrease, or a change in assessment for any other reason.